Hospital Newsletter

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Indiana State Department of Health

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Focused Survey Process Being Planned

In January 2002, the Acute Care Division will implement a new focused survey process in hospitals licensed in Indiana by the ISDH. The new survey process will resolve two problems with prior surveys – (a) focus on evaluation of services where problems usually surface, and (b) recognition of JCAHO or AOA accreditation surveys.

Indiana Hospital Council meeting discussed the following elements to the new process outlined below at its 10/24/01 meeting.

The hospital licensure standard survey will be based on the number of beds and the number of off site locations licensed under the parent hospital being surveyed. The following time frames would be used as targets for the length of survey:

1) >50 beds one (1) day on site.
2) 50-200 beds two (2) days on site
3) 200-500 beds three (3) days on site
4) > 500 beds four (4) days on site

New Key Elements of ISDH Focused Licensure Survey

- Uniform Standards for All Surveyors
- Focus on Five Hospital Services, including Emergency Services, Infection Control, Nursing Service, Physical Plant, and Quality Assessment & Improvement
- New Timelines Standards based on hospital size and services offered
- Standards on type and severity of problems that would justify expanding survey into other areas

The standard survey would include three (3) surveyors

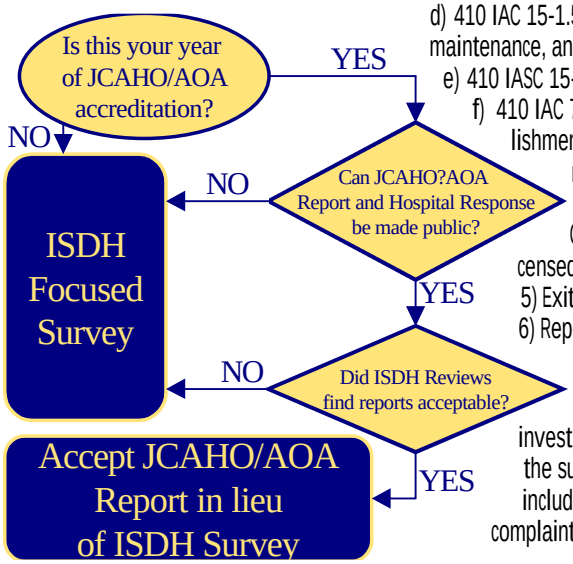
1) One nurse surveyor
2) One administrator or second nurse surveyor
3) Laboratory surveyor or sanitation surveyor

Additional surveyors may be added if multiple campuses are to be surveyed with additional kitchen or Blood Centers to keep the maximum four (4) day survey.

Off site preparation and review of history of compliance, travel, and report write up will not be included in the days indicated for onsite survey.

This survey process will give guidance for consistency of survey for all surveyors to include

1) Off site preparation
2) Entrance conference
3) Information gathering to include observation, interviews, and records review.
4) Hospital licensure rules to always be reviewed during the standard survey
   a) 410 IAC 15-1.4-2 Quality Assessment and Improvement
   b) 410 IAC 15-1.5-2 Infection Control
   c) 410 IAC 15-1.5-6 Nursing Service
   d) 410 IAC 15-1.5-5-8 Physical plant, maintenance, and environmental services
   e) 410 IASC 15-1.6-2 Emergency Service
   f) 410 IAC 7-20 Retail food establishment sanitation requirements
   g) IC 16-41-12 Blood Center Licensure if licensed as Blood Center
5) Exit Conference
6) Reporting Writing



If problems are found or complaints are to be investigated during the survey, the survey will be expanded to include the areas specific to the complaint or problems.

The roles of each surveyor will be specific as to what their responsibilities are for the survey. The survey process will be more consistent between surveyor teams.

ISDH will accept a JCAHO or AOA inspection report for the same calendar year in lieu of a survey when ISDH staff has found that the accreditation survey and the hospital response is equivalent to ISDH compliance to rules. In the year of the JCAHO or AOA survey, the ISDH will still perform annual retail food and blood center surveys.

We are seeking your cooperation in this new approach.

Inside this issue:

48 Hour Authentication Waiver Pilot Program

In the fall of 1999, the State Health Commissioner asked the Hospital Council to look at the Hospital Licensing Rule that requires that physician orders be authenticated within 48 hours and study: what is being done, what are the problems; it's effectiveness in promoting quality health care, where there is a need after the order has been carried out by hospital staff to authenticate after the fact; and how it affects quality of care.

IHHA assembled a multi-disciplinary task force comprised of attorneys, risk managers, risk insurers, registered nurses, hospital managers, and representatives of the hospital association and the ISDH. The task force reviewed the Indiana Hospital Licensure Rules and Interpretive Guidelines, The Medicare Conditions of participation for Hospitals with Interpretive Guidelines, and the Joint Commission on Accreditation of Healthcare Organization's (JCAHO) requirements.

The task force prepared a recommendation to the Hospital Council that was adopted by the Council in April 2000, setting up the pilot waiver program to a limited number of hospitals.
The recommendation included the following items as necessary to the waiver program:

1. There must be a policy of "repetition and verification" of verbal orders;
2. There must be documentation of the "repetition and verification" in the patient's medical records appropriately signed and dated by the authorized health care professional that took the order;
3. There must be a quality assessment/ improvement program established to measure the number of medical and medicine errors from verbal orders and to evaluate the outcomes of the new policies and procedures, including a process that will study the character of the error as well as evaluate the need for systemic changes in the process;
4. There must be a provision that the prescribing physician shall authenticate repeated and verified verbal orders as the physician completes the medical record; and
5. There must be documentation that the waiver request and the hospital's administrative and nursing policies have the approval of the Governing Board and the Medical Staff.

Further items supporting the request:

- Special programs instituted by the hospital that reflect the concern for patient safety and particularly any that reduce the incidence of medical errors related to verbal orders; and
- Quality Improvement studies on medical errors in general.

Forty-two hospitals requested and were granted waivers for one year. That year began expiring in June of 2001. Reports (with various end dates depending on date of granting waiver) are being submitted to the ISDH and will be evaluated by Epidemiology Resource Center.

Things that have been reported to date:

- The flow of communication between staff and physician is clearer and understandable.
- There is an increased focus of working together for better patient care.
- Nurses repeating and verifying orders to physicians eliminate the common prevented errors and increase the quality of care given to patients.

All reports will be evaluated by the end of the year and a final recommendation made to the Hospital Council at its January meeting. Until the final recommendation is made the pilot program is being extended another year.

Critical Access Hospital Program

The purpose of the Federal Critical Access Hospital Program is to insure that rural hospitals experiencing financial difficulty operating under the current Medicare/Medicaid Diagnostic Related Group (DRG) reimbursement system have the option to be designated a Critical Access Hospital (CAH) by the Centers for Medicare/Medicaid Services (CMS) and thereby obtain a more advantageous reasonable cost based reimbursement rate for Medicare/Medicaid patients.

Currently there are 10 Indiana hospitals certified as Critical Access Hospitals. They are: **Blackford County Hospital**, Hartford City, **Bloomington Hospital of Orange County, Inc.,** Paoli, **Community Hospital of Bremen, Inc.,** Bremen, **Pulaski Memorial Hospital**, Winamac, **Rush Memorial Hospital** , Rushville, **St. Vincent Clay Hospital**, Brazil, **St. Vincent Jennings Hospital**, **Inc.,** North Vernon, **St. Vincent Mercy Hospital, Inc.,** Elwood, **St. Vincent Randolph Hospital**, Winchester, and **St. Vincent Williamsport Hospital**, Williamsport.

Three Rural Hospital Flexibility Program (FLEX) grants totaling $993,000 have been awarded to Indiana since the program began in 1999. The monies have been used by the state and the hospitals for feasibility studies to designate hospitals for Critical Access, development and implementation of rural health networks, improving quality of care, improving EMS services and evaluation of the CAH program.

Similar activities have occurred in 47 of the 50 states resulting in 497 hospitals being certified as CAH with an additional 143 pending as of November 1.

For Your Information

Infection Control Guidelines and Consultation

On the ISDH web site, we have posted links to the Centers of Disease Control and Prevention, and the Association of Professionals in Infection Control and Epidemiology. It is recommended that a hospital consult those sources for review of hospital standards. Hospitals must have infection control policies in place that are consistent with current standards of practice.

To discuss Indiana infection control issues contact Ms. Julie Butwin, ISDH Communicable Disease Division, at 3178/233-7825.

Inpatient Rehabilitation and Swing Bed MDS Data Collection

CMS is continuing its efforts to implement its Inpatient Rehabilitation facility Validation and Entry (IRVIN) for freestanding rehabilitation hospitals and hospital based rehabilitation units that provide post-acute rehabitation service. The data collection effort is scheduled to submit information to a CMS contractual agency (not ISDH) in January 2002. Information on the new software or the two page data collection form can be obtained by contacting Yael Harris, CMS, at 407/786-9045

CMS is also continuing its efforts to convert swing bed hospital reimbursement to the SNF PPS. Prior to the July 2002 effective date, CMS will offer training on the Minimum Data Set (MDS) and Rug III case mix system for state government, fiscal intermediaries, and hospitals.

Indiana Epidemiology Newsletter

Most Physicians and hospitals received a copy of the October issues of the Epidemiology Newsletter on Bioterrorism. The November ISDH Epidemiology Newsletter with additional questions and answers on Bioterrorism is attached for your review. The Newsletter is on the ISDH web site.

CDC Guideline for Hand Hygiene in Healthcare

The CDC document is available for viewing at:

www.CDC.gov/ncidod/hip/hhguide.htm

Comments must be received in writing on or before December 24, 2001

Organ Donation

On June 22, 1999, HCFA published a final rule (which became effective August 21st) that imposes several requirements a hospital must meet that are designed to increase donations.

Recently, CMS added a series of questions and answers on this topic at their web site.. You can find the organ donation rule, questions and answers, and interpretive guidelines via Internet at:

www. hcfa.gov/quality/4a.htm

AOA/CAH Accreditation

The Centers for Medicare and Medicaid Services has approved the Healthcare Facilities Accreditation Program of the American Osteopathic Association as the deeming authority for Critical Access Hospitals. The AOA Critical Access Manual can be obtained by contacting George Reuther at 800/621-1773 ext. 8060.

Licensure renewal

In November, roughly one half of the acute care hospitals received a request to complete and return an Application for License to Operate a Hospital (State Form 44885). In May, the remaining hospitals will receive the same packet. After each application is received and mailed, we will return the license by regular mail. You are reminded to include off-site locations when you return the application.

Hospital COP for Anesthesia Services

The CMS issued the final rule in the 11/13/01 Federal Register (66 Fed. Reg. 56762), amending the Anesthesia Services Conditions of Participation for hospitals and the Surgical Service Conditions of Participation for Critical Access Hospitals . The rule maintains the current physician supervision requirement for certified registered nurse anesthetists. The state of Indiana has no state exemptions to this federal requirement.

Construction Plans and ISDH Rule Development

As you are aware, hospitals can not occupy newly constructed or renovated space until the plans have been approved by the Division of Sanitary Engineering. Plans shall be filed prior to the start of construction or renovation.

It is recommended that the architectural firm file architectural plans certified by an architect or engineer licensed to practice in Indiana early in the process to ensure occupancy is not delayed. Plans which show finishes, heating and ventilation, medical gas systems, nurse call systems, emergency power provisions etc are required before review can be completed and approval granted. (State Form 50097 is available on-line.) ISDH staff will acknowledge receipt of these plans and assign a project number.

Hospital construction plans are currently evaluated on the 1992 – 1993 AIA Guidelines for Construction.

The proposed rules to amend the hospital rule to use the 2001 standards was approved by the Executive Board on November 14, 2001. We expect that the proposed rules will become effective on January 2, 2002

Plans received after the effective date adopting the 2001 guidelines will be reviewed under the 2001 standards.

HCFA-855 Procedural Changes

The Centers for Medicare and Medicaid Services (CMS) has announced that it is implementing new HCFA-855 application procedures, effective November 1, 2001.

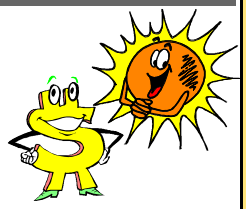
The new version CMS-855A Medicare Provider/Supplier Enrollment Application will replace the HCFA-855 and HCFA-855C currently in use. The HCFA-855C will be discontinued.

The processing and the distribution of the CMS-855A forms will change. Applicants will no longer contact the Indiana State Department of Health (ISDH) to obtain the HCFA-855 for initial and change of ownership applications. In the new procedure, applicants will contact the fiscal intermediary directly to obtain the CMS-855A, and then the applicant will submit the CMS-855A directly to the appropriate fiscal intermediary. CMS encourages applicants/providers to access a list of fiscal intermediaries listed by state and specialty at: *www.hfca.gov/medicare/enrollment/contacts*

The Department will continue to forward any HCFA-855 and CMS-855A forms received to the appropriate fiscal intermediary for processing. However, after a sixty (60) day transition period, Centers of Medicare and Medicaid Services (CMS) has instructed ISDH to return to applicant any HCFA-855 and CMS-855A applications received. All change requests as of December 31, 2001 must be submitted on the appropriate CMS-855A forms.

Questions regarding distribution, processing and the completion of the CMS-855A forms should be directed to the fiscal intermediary.

Disclosing Financial Reports



Under the Hospital Disclosure Act, each hospital will provide at least four annual reports to ISDH.

In the last few weeks, we have received the last 2000 hospital service report, and will soon post these results to the ISDH web site.

Because of federal delays, we have also processed many extensions for filing the 2000 Hospital Fiscal Reports. ISDH staff recommends that you file an extension of all financial reports until a date that you are certain that you have sufficient information to complete all reports.

This packet includes the report for 2001 financial reporting. The instructions, diskette, and forms should be forwarded to the Chief Financial Officer.

Telephone Directory by Topic

ASC Program & Procedure Changes
Ann Hamel
317.233.7487

Plan Review
Wes Anderson
317.233.7882

Data Reporting
Tom Reed
317.233.7541

We're on the Web!
www.IN.gov/isdh

Hospital Information on ISDH Web Site

- Directory (with quarterly updates)
- Laws/Rules/Regulations (USA & IN)
- Licensing Form
- Surgical Report
- Links to QA organizations

www.IN.gov/isdh/regsvcs/providers.htm

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